



## Local ballot measures: Measure M

# M

### Ballot question

Shall the County ordinance be adopted adding Chapter 3.30 to the Tuolumne County Ordinance Code imposing a 0%-15% gross receipts tax on commercial cannabis businesses (but no less than \$0-\$15 per square foot for cultivation businesses as annually increased by a consumer price index) in the unincorporated area of Tuolumne County, and authorizing the Board of Supervisors to implement and adjust the tax at its discretion, with funds staying local for unrestricted general revenue purposes, including but not limited to public safety, health, environmental protection and addressing industry impacts, unless repealed or amended by voters?

### What your vote means

YES	NO
A “Yes” vote is a vote to approve the imposition of the tax.	A “No” vote is a vote against the imposition of the tax.

### For and Against Measure M

FOR	AGAINST
<b>John Gray</b> On behalf of the Tuolumne County Board of Supervisors <b>Sherri Brennan</b> On behalf of the Tuolumne County Board of Supervisors	<b>Bob Kirk</b>



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### Impartial Analysis

**Sarah Carrillo**, County Counsel

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The Tuolumne County Board of Supervisors proposes “Measure M,” which, if approved would add Chapter 3.30 to the Tuolumne County Ordinance Code imposing a tax on individuals or entities operating commercial cannabis businesses. Measure M does not authorize commercial cannabis business itself, rather, it puts in place a mechanism to tax such activities should it later be permitted in Tuolumne County. Commercial cannabis business will remain banned in Tuolumne County unless and until local, state or federal regulations authorize such activities.

Measure M would impose a tax on commercial cannabis businesses, including cultivation, manufacturing, distribution, testing and the sale of cannabis in the unincorporated area of Tuolumne County (not within the City of Sonora). The tax would not apply to personal cannabis cultivation as defined in the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” or to the personal use of cannabis that is specifically exempted from state licensing requirements and meets specified criteria. The details of the proposed tax are contained in Ordinance No. 3339 of the Tuolumne County Board of Supervisors.

The cannabis business tax would be levied on cultivation based upon either gross receipts or square footage, and on other cannabis businesses based on only gross receipts.

The tax rates for commercial cultivation are as follows:

- 0%-15% of gross receipts or \$0-\$15 per square foot as annually increased by a consumer price index

The tax rate for commercial cannabis businesses other than cultivation are as follows:

- 0%-15% of gross receipts

The Board of Supervisors may, by ordinance, change or increase the tax rates for all commercial cannabis businesses from the minimum percentages to the maximum percentages and/or from the minimum dollar amount to the maximum dollar amount as set forth above.

The cannabis business tax is a general tax, meaning revenue generated would be placed in the general fund and may be used for any unrestricted general governmental purpose.

A “Yes” vote is a vote to approve the imposition of the tax.

A “No” vote is a vote against the imposition of the tax.

The measure requires a simple majority vote for approval.



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### Fiscal Impact Statement

**Deborah Bautista**, County Auditor-Controller

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This ballot measure if passed would impose a tax on individuals or entities operating commercial cannabis businesses in the unincorporated areas of the County of Tuolumne ("County"). The tax would be imposed on commercial cannabis businesses, including cultivation, manufacturing, distribution, testing and the sale of cannabis in the County. If approved, this measure would establish a maximum of fifteen percent (15%) general tax on the gross receipts received by retailers of cannabis and cannabis products. A maximum fifteen percent (15%) general tax on gross receipts or a maximum general tax of fifteen dollars (\$15.00) per square foot on the space utilized for commercial cultivation of cannabis. The tax revenue generated would be available for general governmental purposes.

Fiscal impacts associated with this measure include increased General Fund revenue from the cannabis operations tax paid to the County and increased General Fund expenditures related to tax collection and enforcement activities. Fiscal impacts also include increased General Fund expenditures for permitting and monitoring activities, which could be offset by fees charged to applicants and operators. These revenues and costs depend on a number of unknown factors, including the number and type of cannabis businesses permitted by the County, consumer demand for cannabis, competition from cannabis businesses located in other jurisdictions, and the price of cannabis which may change over time.

Based on an analysis of the commercial cannabis industry in Tuolumne County, cannabis operations tax revenues could range anywhere from \$100,000 to \$1,000,000 annually. Actual revenues would be significantly less or more depending on the unknown factors discussed above. Costs also are uncertain and would vary based on the number of regulated cannabis businesses. Based upon other jurisdiction's experience, the costs would be equal to or greater than the revenue from the tax.

This analysis is submitted by the Office of the Auditor-Controller of the County of Tuolumne pursuant to the requirements of Section 9160(c) of the Elections Code of the State of California.



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Arguments in support of or in opposition to the proposed laws are the opinions of the authors.

Argument for Measure M	Argument against Measure M
<p>A YES vote on Measure M <b>does not allow marijuana businesses in our county</b>. It simply authorizes the Board of Supervisors to implement a fair and flexible tax structure, if needed, for an uncertain future.</p> <p>A YES vote on Measure M is the <b>fiscally responsible and proactive choice</b> for Tuolumne County.</p> <p>A YES vote on Measure M will ensure there is a <b>mechanism to fund local enforcement</b> of illegal activity, in the event Tuolumne County is ever required to legalize marijuana businesses.</p> <p>A YES vote on Measure M is critical to ensuring our county has the financial resources it would need to regulate marijuana businesses <b>without taking away from existing county services</b></p> <p>A YES vote on Measure M helps reduce the burden marijuana businesses would put on our resources for services such as public safety, roads and environmental programs.</p> <p>Taxes from Measure M <b>would only be paid by marijuana businesses</b> and the revenue would stay in Tuolumne County to fund general county services.</p> <p>Dozens of other cities and counties in California have set up a tax structure similar to Measure M.</p> <p>Join us in <b>securing our future</b> and voting <b>YES</b> on Measure M.</p> <p><b>s/ John Gray</b></p> <p><b>John Gray</b> On behalf of the Tuolumne County Board of Supervisors</p>	<p>Let there be no mistake, Measure M is another step down the road to allowing commercial marijuana in our community. A NO vote on Measure M <b>says NO to Commercial Marijuana Business and Cultivation</b> in Tuolumne County. A NO vote sends a strong message to the marijuana cartels that they are not welcome in Tuolumne County. It sends a message that Tuolumne County is not going to repeat the mess in Calaveras County. Voters thought Prop 64 was just decriminalizing personal medicinal and recreational marijuana. Unfortunately, the results of Prop 64 are being used to justify commercial marijuana grows in our community.</p> <p>Everywhere commercial marijuana has been allowed has seen violent crime increase; black market expansion; diversion of precious water resources; rampant environmental pollution, especially water pollution; and skyrocketing marijuana use by youth. Places like Colorado, Oregon and Calaveras county are struggling with the consequences. Research shows for every marijuana tax dollar received, ten dollars must be spent on the problems that come with it: increased law enforcement, code compliance, human trafficking, emergency room visits, mental illness, suicides, and DUI accidents and deaths to name just a few. Every tax dollar added to the price of marijuana provides a dollar advantage to the black market.</p> <p>Only 10 out of 58 counties in California allow commercial marijuana cultivation. Rejecting Measure M would send a signal to the world that Tuolumne County is not going to allow commercial marijuana.</p> <p>If Measure M passes, the big money commercial marijuana business interests will claim the “yes” for taxes is also a “yes” for commercial marijuana cultivation. Our Board of Supervisors have said they will not allow commercial marijuana unless they can tax it.</p> <p><b>Help us secure the future of Tuolumne County and our children by voting NO on Measure M.</b></p> <p><b>s/ Bob Kirk</b></p> <p><b>Bob Kirk</b></p>



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Rebuttal to argument for Measure M	Rebuttal to argument against Measure M
<p>Measure M is for Marijuana. Taxation is the gateway to Commercial Marijuana cultivation by large corporations, right here in Tuolumne County.</p> <p>The Tuolumne County Board of Supervisors have said that unless they can tax Commercial Marijuana, they will not allow it. Say NO to big marijuana by voting NO on Measure M.</p> <p>Some claim AB924 says the State of California will force the county to grow commercial marijuana and therefore we need to have a tax in place. Read AB924; the truth is it only seeks to exert California marijuana laws over Indian Lands.</p> <p>“Regulate and tax” is the mantra of those promoting commercial marijuana, saying it will wipe out the black market and keep drugs out of the hands of our youth. Results from places like Calaveras County, Oregon and Colorado show just the opposite. The marijuana black market, criminal activity associated with it, and youth drug consumption is dramatically increasing in these places.</p> <p>Government can become addicted to marijuana. Hoping the tax dollars will solve their budget problems, government ignores the problems created everywhere commercial marijuana operations exist.</p> <p>A NO vote is the best way to stop commercial marijuana.</p> <p>A NO vote is the fiscally responsible approach to avoid bankrupting our county finances with insatiable demands on law enforcement.</p> <p>A NO vote sends a strong message to the cartels and the addiction-for-profit industry that they are not welcome in Tuolumne County.</p> <p>A NO vote speaks to the youth, who are our future, that the community stands against marijuana.</p> <p><b>s/ Bob Kirk</b></p> <p><b>Bob Kirk</b></p>	<p>Measure M is not about allowing commercial marijuana. Unfortunately, illegal marijuana already exists in Tuolumne County. Those who engage in illegal marijuana activity have no interest in obeying laws and will not view a failed Measure M as a message that they are not welcome. Voting against Measure M does nothing to eliminate the presence of illegal marijuana activity in Tuolumne County.</p> <p>On the contrary, Measure M offers the solution. An approved Measure M gives the county tools that it would not otherwise have. Revenue generated from Measure M could be used to address negative impacts from commercial activity, if Tuolumne County were ever forced to allow it.</p> <p>It is rare that voters get an opportunity to protect themselves in this way. Measure M is not a spontaneous decision; it is a thoughtful tax structure for an uncertain future. Approving Measure M is the smart thing to do to preserve the way of life in Tuolumne County.</p> <p>Vote YES on Measure M.</p> <p><b>s/ Sherri Brennan</b></p> <p><b>Sherri Brennan</b></p> <p>On behalf of the Tuolumne County Board of Supervisors</p>